

ILLINOIS COMMERCE COMMISSION

DOCKET NO. 03-0556

**RESPONSE OF CONSUMERS ILLINOIS WATER COMPANY
TO ICC DATA REQUEST NO. RP-1**

Witness Responsible: Thomas J. Bunosky
Company: Consumers Illinois Water Company
Job Title: Vice President
Phone Number: 815-935-6535 Ext. 530

RP-1 Following the proposed reorganization, will the Oakview Avenue Water Works system ("Oakview") remain a separate company or will Oakview be merged into CIWC and cease to exist as a standalone company? If Oakview will remain a separate company following the proposed reorganization, please respond to subparts (a), (b) and (c).

- (a) Please identify the entity that will raise debt capital for Oakview;
- (b) Please identify the entity that will raise common equity capital for Oakview; and
- (c) Please identify the target capital structure for Oakview.

RESPONSE: Oakview will be a part of CIWC's University Park-Water Division.

ILLINOIS COMMERCE COMMISSION

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**RESPONSE OF CONSUMERS ILLINOIS WATER COMPANY
TO ICC DATA REQUEST NO. RP-2**

Witness Responsible:	Thomas J. Bunosky
Company:	Consumers Illinois Water Company
Job Title:	Vice President
Phone Number:	815-935-6535 Ext. 530

RP-2 Please indicate how CIWC will finance the proposed reorganization. Additionally, please provide CIWC's pro forma capital structure (i.e., following the proposed reorganization and reflecting all additional financing).

RESPONSE: CIWC will pay the purchase price with cash on hand. There will be no significant effect on the capital structure. No securities will be issued in connection with the Acquisition. The capital structure is shown on Exhibit D.

ILLINOIS COMMERCE COMMISSION

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**RESPONSE OF CONSUMERS ILLINOIS WATER COMPANY
TO ICC DATA REQUEST NO. RP-3**

Witness Responsible: Thomas J. Bunosky
Company: Consumers Illinois Water Company
Job Title: Vice President
Phone Number: 815-935-6535 Ext. 530

RP-3 Paragraph 23 of the Joint Verified Application states, "CIWC further proposes that it be permitted to accrue a carrying cost equivalent to its last overall authorized rate of return on the unrecovered balance of such costs." With entry of a Commission Order in Docket No. 03-0403, CIWC will have more than one authorized rate of return. Please specify the rate of return to which that statement refers. Does CIWC propose that carrying charge change whenever the Commission revises an authorized rate of return for CIWC?

RESPONSE: As revised, the proposal does not require the recovery of carrying cost related to either Acquisition Cost or Required Plant.

ILLINOIS COMMERCE COMMISSION

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**RESPONSE OF CONSUMERS ILLINOIS WATER COMPANY
TO ICC DATA REQUEST NO. RP-4**

Witness Responsible:	Thomas J. Bunosky
Company:	Consumers Illinois Water Company
Job Title:	Vice President
Phone Number:	815-935-6535 Ext. 530

RP-4 Paragraph 28 of the Joint Verified Application states, "The RPS recovers the Plant Capital Cost over a 120-month period, including both a return 'of' (depreciation) and a return 'on' (rate of return) the unrecovered balance of Plant Capital Cost." With entry of a Commission Order in Docket No. 03-0403, CIWC will have more than one authorized rate of return. Please specify the rate of return that CIWC expects would be applied to the unrecovered balance of Plant Capital Cost. Does CIWC propose that rate of return change whenever the Commission revises an authorized rate of return for CIWC?

RESPONSE: In calculating the RPS, CIWC proposes to use the last authorized water rate of return at the time that the RPS is filed. The rate of return would not change while the RPS is in effect.

ILLINOIS COMMERCE COMMISSION

DOCKET NO. 03-0556

**RESPONSE OF CONSUMERS ILLINOIS WATER COMPANY
TO ICC DATA REQUEST NO. RP-5**

Witness Responsible:	Thomas J. Bunosky
Company:	Consumers Illinois Water Company
Job Title:	Vice President
Phone Number:	815-935-6535 Ext. 530

RP-5 Paragraph 30 of the Joint Verified Application states, "The RPS amortization is based on CIWC's last-allowed rate of return." With entry of a Commission Order in Docket No. 03-0403, CIWC will have more than one authorized rate of return. Please specify the rate of return to which that statement refers.

RESPONSE: See response to RP-4.

ILLINOIS COMMERCE COMMISSION

DOCKET NO. 03-0556

RESPONSE OF CONSUMERS ILLINOIS WATER COMPANY

TO ICC DATA REQUEST NO. RP-6

Witness Responsible: Thomas J. Bunosky
Company: Consumers Illinois Water Company
Job Title: Vice President
Phone Number: 815-935-6535 Ext. 530

RP-6 Please provide supporting documentation for the July 31, 2003, CIWC capital structure provided in Exhibit D, attached to the Joint Verified Application. Additionally, please provide each capital component's cost. Include all supporting documentation in the response.

RESPONSE: See attached.

		CONSUMERS ILLINOIS		TOTAL	
Preferred Stock	380,700.00	0.00	380,700.00		
Common Shares	3,385,645.00	0.00	3,385,645.00		
Premium on Common Shares	8,970,370.00	0.00	8,970,370.00		
Capital in Excess of Par	19,334,162.84	0.00	19,334,162.84		
Reinvested Earnings					
Balance January 1	14,419,292.11	0.00	14,419,292.11		
Income Current Year	2,089,653.33	0.00	2,089,653.33		
Dividends - Common	(1,090,604.00)	0.00	(1,090,604.00)		
Dividends - Preferred	(10,476.24)	0.00	(10,476.24)		
Other	0.00	0.00	0.00		
Subtotal	47,478,743.04	0.00	47,478,743.04		
Mortgage Bonds	42,783,333.84	0.00	42,783,333.84		
Subtotal	42,783,333.84	0.00	42,783,333.84		
Short Term Debt	16,155,000.00	0.00	16,155,000.00		
Notes Payable Affiliates	0.00	0.00	0.00		
Subtotal	16,155,000.00	0.00	16,155,000.00		
Total Capitalization	106,417,076.88	0.00	106,417,076.88		
Minority Int in Water Subs	0.00	0.00	0.00		
Current Portion of LTD	10,000.00	0.00	10,000.00		
Operating Acc/Pay Trade	1,556,579.52	0.00	1,556,579.52		
Accounts Payable Affiliates	1,405,917.34	0.00	1,405,917.34		
Construction Accounts Payable	0.00	0.00	0.00		
Dividends Payable	0.00	0.00	0.00		
Accrued Taxes - Federal	(1,488,111.80)	0.00	(1,488,111.80)		
Accrued Taxes - State	48,852.07	0.00	48,852.07		
Accrued Taxes - Other	490,198.73	0.00	490,198.73		
Accrued Interest	740,175.18	0.00	740,175.18		
Total Advances due to Affiliat	0.00	0.00	0.00		
Other Current Liabilities	1,162,828.49	0.00	1,162,828.49		
Total Current Liabilities	3,926,439.53	0.00	3,926,439.53		
Cust Advances for Const	5,182,429.01	0.00	5,182,429.01		
Long Term Deferred FTY	8,703,013.22	0.00	8,703,013.22		
Long Term Deferred SIT	1,934,019.86	0.00	1,934,019.86		
Unamortized ITC	841,464.83	0.00	841,464.83		
Total Other Non-Current Liab	437,190.03	0.00	437,190.03		
Total Def Cr & Non-current Lia	17,098,116.95	0.00	17,098,116.95		
Contrib in Aid of Const	24,938,153.86	0.00	24,938,153.86		
Total Liabilities and Capital	152,379,787.22	0.00	152,379,787.22		

ILLINOIS COMMERCE COMMISSION

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**RESPONSE OF CONSUMERS ILLINOIS WATER COMPANY
TO ICC DATA REQUEST NO. RP-7**

Witness Responsible: Thomas J. Bunosky
Company: Consumers Illinois Water Company
Job Title: Vice President
Phone Number: 815-935-6535 Ext. 530

RP-7 Exhibit G, attached to the Joint Verified Application, shows a 9.41% rate of return in Column C. Please indicate how the 9.41% rate of return was derived. Include all supporting documentation in the response.

RESPONSE: Exhibit G is an illustration showing an estimation of the Required Plant Surcharge (RPS). The actual RPS will be based on the final cost of the Required Plant and will utilize the then most recent water rate of return for any rate area of the Company. The illustration on Exhibit G uses the rate of return from the last University Park Water Rate Case, Docket No. 97-0351. The derivation of that formula is shown on page 48 of the Order. When the RPS is ultimately filed, the then most recent water rate of return will be used.

ILLINOIS COMMERCE COMMISSION

DOCKET NO. 03-0556

**RESPONSE OF CONSUMERS ILLINOIS WATER COMPANY
TO ICC DATA REQUEST NO. TEE-001**

Witness Responsible: Michael D. Bratetic
Company: Consumers Illinois Water Company
Job Title: Vice President - Finance
Phone Number: 815-935-6535 Ext. 521

TEE-001 Provide copies of the invoices or other documentation to support the original cost of those items listed as "Prior Lease-Hold Interests Acquired by CIWC" shown on Exhibit J of the Joint Verified Application, as well as documentation for additional Prior Lease-hold Interests since acquired by CIWC.

RESPONSE: These were provided under separate cover.

ILLINOIS COMMERCE COMMISSION

DOCKET NO. 03-0556

**REVISED RESPONSE OF CONSUMERS ILLINOIS WATER COMPANY
TO ICC DATA REQUEST NO. TEE-002**

Witness Responsible: Michael D. Bratetic
Company: Consumers Illinois Water Company
Job Title: Vice President - Finance
Phone Number: 815-935-6535 Ext. 521

TEE-002 The basis of the journal entries to the various plant accounts included on Exhibit I appears to be Net utility plant in service. However Accounting Instruction 21 Utility Plant-Purchased or Sold, B. (1) and (2), indicate that the original cost of plant and the associated accumulated depreciation should be charged to the appropriate utility plant in service accounts. Please provide revised journal entries correctly reflecting Accounting Instruction 21.

REVISED See attached second revised Exhibit I.
RESPONSE:

Consumers Illinois Water Company
EXHIBIT I (Second Revised)

OAKVIEW ACQUISITION
ACCOUNTING ENTRIES TO RECORD INITIAL PURCHASE
WATER SYSTEM

<u>Account</u>	<u>Utility Plant in Service</u>		<u>Debit</u>	<u>Credit</u>
104	Utility Plant Purchased or Sold	\$	-	\$ 76,044
301	Organization	\$	232	
302	Franchises	\$	993	
303	Land & Land Rights	\$	338	
304-15	Structures & Improvements- Pumping Plant	\$	4,174	
304-30	Structures & Improvements- Water Treatment Plant	\$	420	
307	Wells & Springs	\$	11,252	
309	Supply Mains	\$	7,395	
310	Power Generation Equipment	\$	-	
311	Pumping Equipment	\$	10,950	
320	Water Treatment Equipment	\$	2,792	
330	Distribution Reservoirs & Standpipes	\$	1,170	
331	Mains	\$	81,079	
333	Services	\$	7,890	
334	Meters	\$	6,400	
335	Hydrants	\$	-	
339	Other Plant & Misc. Equipment	\$	1,417	
340	Office Furniture & Equipment	\$	277	
343	Tools, Shop & Garage Equipment	\$	713	
108	Structures & Improvements- Pumping Plant			\$ 4,065
108	Structures & Improvements- Water Treatment Plant			\$ -
108	Wells & Springs			\$ 2,526
108	Supply Mains			\$ 444
108	Power Generation Equipment			\$ -
108	Pumping Equipment			\$ 4,517
108	Water Treatment Equipment	-		\$ 1,530
108	Distribution Reservoirs & Standpipes	-		\$ 957
108	Mains	-		\$ 9,633
108	Services	-		\$ 5,935
108	Meters	-		\$ 384
108	Hydrants	-		\$ -
108	Other Plant & Misc. Equipment	-		\$ 467
108	Office Furniture & Equipment	-		\$ 277
108	Tools, Shop & Garage Equipment	-		\$ 713
131	Cash	-		\$ 30,000
		\$	<u>137,492</u>	\$ <u>137,492</u>
<u>Acquisition Costs</u>				
104	Utility Plant Purchased or Sold		55,500	
131	Cash			55,500

Consumers Illinois Water Company
EXHIBIT I (Second Revised)
Summary Accounting Entry to Record Initial Purchase

<u>Account</u>	<u>Description</u>		<u>Debit</u>	<u>Credit</u>
Various	Utility Plant in Service	\$	137,492	
108	Accumulated Depreciation			\$ 31,448
104	Utility Plant Purchased or Sold			\$ 20,544
131	Cash			\$ 85,500

This is a summary of the accounting entries to record plant purchase and acquisition costs from page 1.

104	Utility Plant Purchased or Sold	\$	20,544	-
114	Utility Plant Acquisition Adjustment		-	\$ 20,544

To record transfer of purchased Utility to acquisition adjustment account in accordance wit USOA Accounting Instruction 21, B.

115	Accum. Amort. Of Utility Plant Acq. Adj.	\$	20,544	-
426	Miscellaneous Nonutility Expense		-	\$ 20,544

Entry to record the one-time amortization of acquisition adjustment to offset the anticipated transaction costs.

114	Utility Plant Acquisition Adjustment	\$	20,544	-
115	Accum. Amort. Of Utility Plant Acq. Adj.		-	\$ 20,544

One-time entry to clear the Utility Plant Acquisition Adjustment.

ILLINOIS COMMERCE COMMISSION

DOCKET NO. 03-0556

**REVISED RESPONSE OF CONSUMERS ILLINOIS WATER COMPANY
TO ICC DATA REQUEST NO. TEE-003**

Witness Responsible:	Michael D. Bratetic
Company:	Consumers Illinois Water Company
Job Title:	Vice President - Finance
Phone Number:	815-935-6535 Ext. 521

TEE-003	Provide the journal entries CIWC would make to record the proposed surcharge collections, as well as how the "Required Plant" will be recorded while the surcharge is in effect.
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REVISED RESPONSE:	See "Attachment to Revised TEE-003" for the journal entries to record the proposed surcharge collections, as well as how the "Required Plant" will be recorded while the surcharge is in effect.
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Line	Acct.	Acct. Description	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Totals
1	106	Completed Construction Not Classified	300,750											
2	105	CWIP	(300,750)											
3	JE#1 To transfer Oakview Ave. Required Plant Construction costs from Construction Work In Progress to Completed Construction Not Classified.													
4														
5	106	Completed Construction Not Classified		14,150	14,150	14,150	14,150	14,150	14,150	14,150	14,150	14,150	14,150	141,500
6	427	Interest Expense		(14,150)	(14,150)	(14,150)	(14,150)	(14,150)	(14,150)	(14,150)	(14,150)	(14,150)	(14,150)	(141,500)
7	JE#2 To record RPS carrying charge													
8														
9	141	Customer Accounts Receivable		44,225	44,225	44,225	44,225	44,225	44,225	44,225	44,225	44,225	44,225	442,250
10	271	Contributions in Aid of Construction - Capital Cost		(30,075)	(30,075)	(30,075)	(30,075)	(30,075)	(30,075)	(30,075)	(30,075)	(30,075)	(30,075)	(300,750)
11	271	Contributions in Aid of Construction - Carrying Cost		(14,150)	(14,150)	(14,150)	(14,150)	(14,150)	(14,150)	(14,150)	(14,150)	(14,150)	(14,150)	(141,500)
12	JE#3 To record RPS Collection													
13														
14	101	Utility Plant in Service		44,225	44,225	44,225	44,225	44,225	44,225	44,225	44,225	44,225	44,225	442,250
15	106	Completed Construction Not Classified		(44,225)	(44,225)	(44,225)	(44,225)	(44,225)	(44,225)	(44,225)	(44,225)	(44,225)	(44,225)	(442,250)
16	JE#4 To transfer contributed property from Completed Construction Not Classified to Utility Plant in Service.													
17														
18														
19	106	Completed Construction Not Classified	300,750	(30,075)	(30,075)	(30,075)	(30,075)	(30,075)	(30,075)	(30,075)	(30,075)	(30,075)	(30,075)	-
20	101	Utility Plant in Service	-	44,225	44,225	44,225	44,225	44,225	44,225	44,225	44,225	44,225	44,225	442,250
21	271	Contributions in Aid of Construction	-	(44,225)	(44,225)	(44,225)	(44,225)	(44,225)	(44,225)	(44,225)	(44,225)	(44,225)	(44,225)	(442,250)

ILLINOIS COMMERCE COMMISSION

DOCKET NO. 03-0556

**RESPONSE OF CONSUMERS ILLINOIS WATER COMPANY
TO ICC DATA REQUEST NO. TEE-004**

Witness Responsible: Michael D. Bratetic
Company: Consumers Illinois Water Company
Job Title: Vice President - Finance
Phone Number: 815-935-6535 Ext. 521

TEE-004 Provide a revised Required Plant Surcharge (RPS) schedule which does not include the acquisition adjustment resulting from the Purchase of Oakview Avenue Assets, similar to that filed as Exhibit G with the Joint Verified Application. Include all supporting spreadsheets or calculations to fully explain all amounts included on the schedule.

RESPONSE: See CIWC Exhibit G (Revised) which excludes the acquisition adjustment and explains all amounts included on the schedule.

EXHIBIT G (Revised)

ESTIMATED REQUIRED PLANT SURCHARGE (RPS)

Estimated Total Required Plant Construction Costs: \$ 300,750

YEAR	RPS CAPITAL BALANCE*****	RPS CARRYING COST AT 9.41% RATE OF RETURN**** (C)	TOTAL RPS CAPITAL & CARRYING COST	SYSTEM CUSTOMERS (A)	RPS CAPITAL RECOVERY REVENUE** (B) = (A) x 270.95	RPS CARRYING COST RECOVERY REVENUE*** (D) = (A) x \$127.48	TOTAL RECOVERY REVENUE (E) = (B) + (D)
0	\$ 300,750		\$ 300,750 *				
1	\$ 270,675	\$ 26,886	\$ 297,561	111	\$ 30,075	\$ 14,150	\$ 44,225
2	\$ 240,600	\$ 24,055	\$ 264,655	111	\$ 30,075	\$ 14,150	\$ 44,225
3	\$ 210,525	\$ 21,225	\$ 231,750	111	\$ 30,075	\$ 14,150	\$ 44,225
4	\$ 180,450	\$ 18,395	\$ 198,845	111	\$ 30,075	\$ 14,150	\$ 44,225
5	\$ 150,375	\$ 15,565	\$ 165,940	111	\$ 30,075	\$ 14,150	\$ 44,225
6	\$ 120,300	\$ 12,735	\$ 133,035	111	\$ 30,075	\$ 14,150	\$ 44,225
7	\$ 90,225	\$ 9,905	\$ 100,130	111	\$ 30,075	\$ 14,150	\$ 44,225
8	\$ 60,150	\$ 7,075	\$ 67,225	111	\$ 30,075	\$ 14,150	\$ 44,225
9	\$ 30,075	\$ 4,245	\$ 34,320	111	\$ 30,075	\$ 14,150	\$ 44,225
10	\$ -	\$ 1,414	\$ 1,414	111	\$ 30,075	\$ 14,150	\$ 44,225
TOTALS:		\$ 141,500		1110	\$ 300,750	\$ 141,500	\$ 442,250

Estimated Required Plant Surcharge (B+D)/A = \$ 398.42 per Customer per Year
or
\$ 33.20 per Customer per Month

*Note:

Initial Capital Balance equals Estimated Total Required Plant Construction Costs.

**Note:

RPS Capital Recovery Factor equals Total Water Plant Construction Cost divided by Total Customers =
\$300,750/1110 = \$270.95/customer/year.

***Note: RPS Carrying Cost Recovery Factor equals (Total Carrying Costs) divided by Total Customers = (\$141,500)/1110 =
\$127.48/customer/year.

****Note: RPS Carrying Cost is calculated by using the Average RPS Capital Balance times 9.41% Rate of Return =
(((\$300,750 + \$270,675) / 2) * 9.41%.

*****Note: RPS Capital Balance per year is calculated by subtracting the RPS Capital Recovery Revenue per year = \$300,750 -
\$30,075 = \$270,675.

ILLINOIS COMMERCE COMMISSION

DOCKET NO. 03-0556

**RESPONSE OF CONSUMERS ILLINOIS WATER COMPANY
TO ICC DATA REQUEST NO. TEE-005**

Witness Responsible: Michael D. Bratetic
Company: Consumers Illinois Water Company
Job Title: Vice President - Finance
Phone Number: 815-935-6535 Ext. 521

TEE-005 While the application includes a monthly per customer estimate, would the Company agree to recalculate that surcharge when the plant additions and upgrades have been completed before the surcharge goes into effect, so that the issues discussed in paragraph 31 of the petition will not need to be considered?

RESPONSE: Yes. This is part of the Company's revised proposal. The surcharge would reflect actual cost when filed.

ILLINOIS COMMERCE COMMISSION

DOCKET NO. 03-0556

RESPONSE OF CONSUMERS ILLINOIS WATER COMPANY

TO ICC DATA REQUEST NO. TEE-006

Witness Responsible: Stefan R. Saller
Company: Consumers Illinois Water Company
Job Title: Marketing Manager
Phone Number: 815-935-8803 Ext.522

TEE-006 On October 1, 2003 during a telephone discussion with Dan Oliver, an engineer with Consumers Illinois Water Company ("Consumers"), Staff asked about the Water Facilities Cost Estimate for a 4" Replacement Main totaling \$70,000 which was included in the response to Staff data request TEE-001. Staff's understanding of Mr. Oliver's response is as follows:

This replacement main project was completed by the owner of Oakview Avenue Water Works and thus no invoices supporting the original cost are available. Mr. Steve Saller from Consumers physically viewed the replacement main and verified that it was installed approximately 8/1/2001. Mr. Dan Oliver prepared the estimate of \$70,000 for the project basing the unit cost on Consumers' own experience with similar projects completed in Consumers Kankakee Division.

Does this correctly represent Consumers' basis and methodology for estimating the cost of the 4" Replacement Main included in the plant purchased from Oakview? If not, please explain.

RESPONSE: Yes.

ILLINOIS COMMERCE COMMISSION

DOCKET NO. 03-0556

**RESPONSE OF CONSUMERS ILLINOIS WATER COMPANY
TO ICC DATA REQUEST NO. WRJ 1.00**

Witness Responsible: Thomas J. Bunosky
Company: Consumers Illinois Water Company
Job Title: Vice President
Phone Number: 815-935-6535 Ext. 530

WRJ 1.00 Appendix H, attached to the Joint Verified Application, is a compilation of a required plant list with cost. Please answer the following with respect to Appendix H:

1. Please provide a detailed list of what the actual plant items are, as well as a cost break down and description for each. For example, Account 304 Structures & Improvements identifies an estimated cost of \$38,750. What items make up the \$38,750?
2. Additionally, please give an estimate of the timing of commencement and completion of construction for each project, as well as copies of engineering contracts/estimates for each item.

RESPONSE: Please see Attachments 1 and 2.

Compliance Items:

Account	Description	Estimated Cost	
304	Structures & Improvements:		
	Concrete footing and foundation	3,750	
	1,000 SF Insulated frame building (see drawing)	22,500	
	Electric, Wiring & Lighting	5,000	
	Gas Heat & Dehumidification	5,000	
	Site Restoration	2,500	38,750
309	Supply Mains:		
	200 LF 6" welded steel inlet & discharge header	7,250	
	Well #3 Pitless Adapter upgrade	18,000	25,250
310	Power Generation Equipment:		
	85KW Natural Gas Generator w/ Auto Transfer		38,750
320	Treatment Equipment:		
	Chemical Injection Corps, Piping and Valving	5,250	
	Chemical Day Tanks & Scales	4,000	9,250
330	Distribution Reservoirs and Standpipes:		
	15,000 Hydropneumatic Tank w/ inlets, taps & manways		29,500
	Sub total		<u>141,500</u>

Other Required Plant Improvements:

Account	Description	Estimated Cost	
331	Main Replacements:		
	850 LF 8" DI Water Main w/ poly wrap	25,750	
	8" Gate Valves & Valve Boxes (4)	2,400	
	Connect to Existing (4 interconnects)	4,000	
	Driveway & Pavement Rehabilitation (10 Ea.)	7,600	-
	Restoration/Seeding (Lump Sum)	8,000	
	Engineering/Design	17,000	64,750
333	Services:		
	Re-runs on 8" DI Main (22)		32,750
334	Meters:		
	ECR WP Meters in Meter Tiles (103)		61,750
	Sub total		<u>159,250</u>
	Total		<u><u>300,750</u></u>

Oakview Avenue Water Works
COMPANY RESPONSE WRJ 1.00

ATTACHMENT 2

Anticipated Schedule

Compliance Items:

**Required
Plant Improvements**

Closing	9/30/2003	
Start Design	10/1/2003	10/6/2003
Submit Tank Design Details IEPA, cc AG	10/29/2003	
Submit Stand-by Power Details to IEPA, cc AG	10/29/2003	
IEPA Construction Permit Approval	11/19/2003	
75% Bid Document Submittal	12/19/2003	1/30/2004
100% Bid Document to IEPA	1/15/2004	2/27/2004
Advertisement of Bids	2/2/2004	3/15/2004
Bid Opening	2/27/2004	3/31/2004
Construction Begins	3/4/2004	5/1/2004
Construction Complete	6/30/2004	8/31/2004

ILLINOIS COMMERCE COMMISSION

DOCKET NO. 03-0556

RESPONSE OF CONSUMERS ILLINOIS WATER COMPANY

TO ICC DATA REQUEST NO. WRJ 1.01

Witness Responsible:	Thomas J. Bunosky
Company:	Consumers Illinois Water Company
Job Title:	Vice President
Phone Number:	815-935-6535 Ext. 530

WRJ 1.01 Are you aware of any municipalities close to the Oakview system (for example the City of Joliet) that have shown any interest in purchasing the system? If so, please identify any knowledge you may have of the proposals.

RESPONSE: No. We are not aware of any municipality being interested in purchasing the Oakview system, nor do we have any knowledge of a proposal having been made by an adjacent community to acquire the system.

ILLINOIS COMMERCE COMMISSION

DOCKET NO. 03-0556

RESPONSE OF CONSUMERS ILLINOIS WATER COMPANY

TO ICC DATA REQUEST NO. WRJ 1.02

Witness Responsible:	Thomas J. Bunosky
Company:	Consumers Illinois Water Company
Job Title:	Vice President
Phone Number:	815-935-6535 Ext. 530

WRJ 1.02 Do you plan on sending out notification to Oakview customers concerning the surcharge? If so, please identify how and include a copy of the notification.

RESPONSE: Yes. CIWC has arranged for notice in the form attached to be given over 2 consecutive weeks in a newspaper of general circulation in the Oakview area. CIWC also will mail the notice to Oakview customers.

NOTICE

To the Customers of Oakview Avenue Water Works, Inc.:

On September 12, 2003, Consumers Illinois Water Company ("CIWC") and Oakview Avenue Water Works, Inc. ("Oakview") filed with the Illinois Commerce Commission ("Commission") a Joint Verified Petition under which CIWC proposes to acquire assets of Oakview that are used to provide water service (the "Acquisition"). If the Acquisition is approved, customers presently served by Oakview would become water customers of CIWC's University Park-Water Division. Until the time of the next rate filing for that Division, Oakview's present flat rate charge of \$18.00 per month would continue to apply to present Oakview customers. CIWC intends to construct certain utility plant items needed to comply with environmental law and regulations, and other service requirements ("Required Plant"). To cover the cost of the Required Plant, CIWC proposes to apply to Oakview customers, in addition to the flat monthly rate, a Required Plant Surcharge ("RPS"), which would provide a return of (depreciation expense) and return on (rate of return) CIWC's investment in the Required Plant. The RPS will reflect the actual cost of the Required Plant, and is presently estimated to be \$33.20 per month. The RPS will terminate after being in effect for 120 months.

The Commission is reviewing the Acquisition in Docket 03-0556. Interested parties may obtain information from Consumers Illinois Water Company, 1000 S. Schuyler, P.O. Box 152, Kankakee, IL 60901-0152, or from the Chief Clerk of the Illinois Commerce Commission, 527 E. Capitol Avenue, Springfield, IL 62701. Parties may file a Petition to Intervene in Docket 03-0556 in accordance with 83 Illinois Administrative Code, Section 200.200.

ILLINOIS COMMERCE COMMISSION

DOCKET NO. 03-0556

RESPONSE OF CONSUMERS ILLINOIS WATER COMPANY

TO ICC DATA REQUEST NO. WRJ 1.03

Witness Responsible:	Thomas J. Bunosky
Company:	Consumers Illinois Water Company
Job Title:	Vice President
Phone Number:	815-935-6535 Ext. 530

WRJ 1.03 Do you plan on addressing Section 7-204 of the Public Utilities Act in your direct testimony?

RESPONSE: Yes. Section 7-204 is discussed in the Verified Joint Petition, which Mr. Bunosky sponsors in his testimony. The Petition explains why the transaction should be approved under Section 7-204.

ILLINOIS COMMERCE COMMISSION

DOCKET NO. 03-0556

**RESPONSE OF CONSUMERS ILLINOIS WATER COMPANY
TO ICC DATA REQUEST NO. RATES-1**

Witness Responsible:	Thomas J. Bunosky
Company:	Consumers Illinois Water Company
Job Title:	Vice President
Phone Number:	815-935-6535 Ext. 530

Rates-1 What is the maximum day and maximum hour capacity of the currently installed water distribution system, if it was fully operational and in compliance with current operating requirements?

RESPONSE: The maximum day and maximum hour capacity of the currently installed water distribution system is approximately 38 gallons per minute. The distribution system is fully operational in respect to providing water service to customers. It is however, not in compliance with certain aspects of current operating requirements, such as, the lack of sufficient water storage capacity, stand-by power generation, source of supply, distribution system not being equipped with flushing hydrants and inadequately, notably 1-inch, sized water mains being in use.

ILLINOIS COMMERCE COMMISSION

DOCKET NO. 03-0556

**RESPONSE OF CONSUMERS ILLINOIS WATER COMPANY
TO ICC DATA REQUEST NO. RATES-2**

Witness Responsible: Thomas J. Bunosky
Company: Consumers Illinois Water Company
Job Title: Vice President
Phone Number: 815-935-6535 Ext. 530

Rates-2 Will the installations listed on Appendix H, attached to the Joint Verified Application, provide more capacity for Oakview customers? If yes, what will be the capacity after Consumers completes its installations?

RESPONSE: Yes, the installations listed in Appendix H will provide more capacity for Oakview customers. The capacity for Oakview Customers after Consumers completes its installations is estimated to be approximately 85 gallons per minute, with both wells running, and hydopneumatic tank reserves included.

ILLINOIS COMMERCE COMMISSION

DOCKET NO. 03-0556

**RESPONSE OF CONSUMERS ILLINOIS WATER COMPANY
TO ICC DATA REQUEST NO. RATES-3**

Witness Responsible: Thomas J. Bunosky
Company: Consumers Illinois Water Company
Job Title: Vice President
Phone Number: 815-935-6535 Ext. 530

Rates-3 Please provide the figures for peak hour pumpage, peak hour plus drawdown from storage, maximum daily rate and average daily rate for Oakview. Please provide the last five years of data for each.

RESPONSE: The average daily rate for Oakview is reported to be 53,800 gallons per day (gpd), or 37 gallons per minute (gpm). The maximum 7-day average for 1998 was reported to be 95,200-gpd, or 66-gpm. Peak hour and peak hour plus drawdown from storage rates are not known.

ILLINOIS COMMERCE COMMISSION

DOCKET NO. 03-0556

**RESPONSE OF CONSUMERS ILLINOIS WATER COMPANY
TO ICC DATA REQUEST NO. RATES-4**

Witness Responsible: Thomas J. Bunosky
Company: Consumers Illinois Water Company
Job Title: Vice President
Phone Number: 815-935-6535 Ext. 530

Rates-4 Paragraph 6 of the Joint Verified Petition indicates that Oakview has approximately 111 customers. Is there any potential for growth in the number of Oakview customers? If yes, what is the maximum potential for growth in the current Oakview certificated area? Is Consumers planning to include new Oakview customers, if any, in billing the Required Plant Surcharge ("RPS")?

RESPONSE: Yes, there is a small potential for the growth in the number of Oakview customers. In our estimation, an additional 15 customers could be possible in the current certificated area. If any new customers were to be added, they would be included in the billing of the RPS.

ILLINOIS COMMERCE COMMISSION

DOCKET NO. 03-0556

**RESPONSE OF CONSUMERS ILLINOIS WATER COMPANY
TO ICC DATA REQUEST NO. RATES-5**

Witness Responsible: Thomas J. Bunosky
Company: Consumers Illinois Water Company
Job Title: Vice President
Phone Number: 815-935-6535 Ext. 530

Rates-5 In light of the proposed RPS, which will increase current monthly charges to Oakview customers, please explain how the acquisition of Oakview by Consumers will not likely result in any adverse rate impacts on retail customers as required by The Public Utilities Act, Section 7-204 (b)(7), and as stated in paragraph 18 of the Joint Verified Petition.

RESPONSE: See Paragraph 34 of the Petition (CIWC Ex. 1.1). As explained in the Petition, the Plant Capital Costs recovered by the RPS do not relate to the Acquisition in that any owner of the Assets would be required to incur these cost to provide safe and adequate water service. Thus, the requirement that Oakview customers pay the RPS does not constitute a violation of Section 7-204(b)(7).